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21 March 1960

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### CENTRAL

# INTELLIGENCE

## BULLETIN



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### CENTRAL INTELLIGENCE BULLETIN

21 March 1960

#### DAILY BRIEF

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#### I. THE COMMUNIST BLOC

USSR: The USSR's proposal of 19 March for a moratorium on small underground nuclear tests not explicitly banned in the US plan appears designed to strengthen Khrushchev's position at the summit in pressing for Western acceptance of the Soviet proposal for a small, fixed number of on-site inspections. Moscow will probably attempt to exploit British inclination to accept a moratorium to increase pressure on the US for an agreement in principle prior to the summit. The Soviet proposal leaves open for bargaining purposes the duration of the moratorium and the post-moratorium status of underground testing if no agreement is reached on improved detection techniques as a result of joint research.

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#### II. ASIA-AFRICA

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Ceylon: While the Ceylonese elections of 19 March resulted in a victory for moderate elements, neither of the two rival parties which won the largest number of seats has enough strength in the new parliament to form a government. If these two parties attempt to join forces in a coalition rather than face the prospect of a new election immediately, the coalition would almost certainly be unstable and probably would not last long. (Page 4)

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#### III. THE WEST

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Bolivia: Quick suppression of the revolt in Bolivia on 19 March may help the government foster party unity in preparation for the presidential election scheduled for 22 May. There have been rumors that the affair was staged for this purpose. Further disorders are likely.

I. THE COMMUNIST BLOC	
The Soviet proposal on 19 March for a permanent ban on all tests except small underground explosions, which would be covered by a moratorium pending the results of joint research to improve detection techniques, probably is the final element in a comprehensive counterproposal to the limited treaty introduced by the US on 11 February.	25X
By linking acceptance of the American limited treaty to a moratorium and a joint research program, the Soviet leadership is apparently attempting to force the US into the position of having to choose between accepting the moratorium concept or rejecting it and risking an open break with London on the issue. Moscow's latest move follows extensive maneuvering to bring the divergence between the American and British delegations on the moratorium issue into the open. US acceptance of the Soviet scheme would, in effect, result in the comprehensive ban on all tests which the USSR has consistently advocated.	
Moscow has been holding the moratorium in reserve since the chief Soviet delegate explored the matter privately with the British delegation last October. Following the introduction of the American threshold proposal, the Soviet Union gradually moved toward the major points in the American position, without, however, abandoning its insistence on a fixed quota of onsite inspections?	25X

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	Iran Plans Full Official Recognition of Israel	
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	Iran has never felt a sense of "Moslem sol Arab states and is disturbed by both UAR and I its Arab minorities. In addition, refusal of the support Iran's claims to Bahrein, Arab action in Persian Gulf the Arab Gulf and, earlier, the la port in the oil dispute with Britain have all ser Iranian relations cool.	raqi appeals to e Arab states to in renaming the ack of Arab sup-
25X1	Iran has long given de facto recognition to several years an unofficial Israeli representation, where there is a sizable Jewish community of the factor of t	ive has been in ity. An Iranian abassy recently adling Iran's af- verse Arab reac- fset by increased
2981	ance from Israel.7	

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#### Moderate Elements Victorious in Ceylon's National Elections

Moderate candidates soundly defeated the leftists in Ceylon's parliamentary elections on 19 March. The relatively conservative United National party (UNP) and the moderate socialist Sri Lanka Freedom party (SLFP) won 50 and 46 of the 151 contested seats respectively. The two rival parties may choose to join forces in a coalition government rather than face immediate new elections with interim control by the governor general. Such a coalition government would be unstable in view of personal rivalries and policy disagreements.

Should UNP leader Dudley Senanayake refuse to head a coalition government, as he said he would throughout the campaign, the governor general could ask the next ranking UNP member or possibly the SLFP leader to form a government. Neither alternative would be likely to succeed for long, however, and new elections would probably soon result.

The three main leftist parties are not in a position to make a bid for leadership, either singly or in a coalition. The Trotskyite party, which won second place in the 1956 elections, has suffered considerable losses, probably as a result of reaction against the frequent strikes it organized during the past three years as well as the general trend in favor of the moderate parties. Former Agriculture Minister Philip Gunawardena's Marxist party has made a poor showing despite its strong appeal to Ceylon's majority Singhalese-Buddhist community. The Communist party ranks lowest of the main parties, having won only three seats.

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#### III. THE WEST

#### The Bolivian Revolt

Quick suppression of the revolt led by the national police chief in La Paz on 19 March may help the government foster party unity in preparation for the presidential election scheduled for 22 May, but further disorders are still likely. Army, air force, and civilian militia units immediately rallied to the government's support despite recent serious feuding within these units over the rival presidential candidacies of Victor Paz Estenssoro, who appears to have majority support, and Walter Guevara, candidate of a right-wing splinter of the government party.

tio Re wa	e gover: ns of the ports o	e are rumors that the 19 March revolt was staged by nment, which has in the past appeared to use revelate ever-present right-wing plotting for its own ends. If casualties, however, including the colonel who had in command of the insurgents, cast doubt on these

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The Secretary of State

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The Under Secretary of State for Political Affairs

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